GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:13
ANSWERED ON:15.11.2007
``CESS ON CRUDE PRODUCTION BY NATIONAL OIL COMPANIES``
Chinta Mohan Dr. ;Singh Shri Rajiv Ranjan (Lalan)

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether cess on domestic crude production is still being charged from the national oil companies;

(b) if so, the rates thereof for 2007-08 and the amount collected so far;

(c) whether only 20% of the amount collected from the said cess has been used for oil exploration and development;

(d) if so, the details thereof; and

(e) the company-wise details of the amount collected on this account in the years 2004-05, 2005-06 and 2006-07 separately?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(a) to (e):- A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF LOK SABHA STARRED QUESTION NO. 13 BY DR. CHINTA MOHAN AND SHRI RAJIV RANJAN SINGH 'LALAN' TO BE ANSWERED ON 15.11.2007 REGARDING CESS ON CRUDE PRODUCTION BY NATIONAL OIL COMPANIES.

Yes Sir. Cess is payable on production of crude oil as per provision of Oil Industries Development Act, 1974. While there is stability of the rate of cess on joint ventures for the Production Sharing Contracts signed under Discovered fields policy, National Oil Companies (NOCs) pay cess as per rates determined from time to time. The NOCs namely viz., Oil & Natural Gas Corporation Limited (ONGC), Oil India Limited (OIL) paid cess at the rate of Rs. 2500 per metric tonne in 2007-08. Cess on crude oil produced in the country was made effective from 23rd July, 1974. The amount collected upto 2006-2007 is Rs. 68104.79 crores. As on date, Rs. 902.40 crores has been made available to Oil Industry Development Board (OIDB) for the purpose of development of oil industry.

The Company−wise details of cess paid by ONGC, OIL and Private / Joint Venture Companies are as under:

(Rs. crore)

Companies	2004-05	2005-06	2006-07
ONGC	4054.73	3871.03	5661.10
OIL	558.28	587.21	779.74
Private/JV	420.96	399.34	434.69
Total	5033.97	4857.58	6875.53